INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

No. 1540 — Washington, D. C. — June 11, 1955

Administration Position on Proposed Sugar Legislation

The U. S. Department of Agriculture on June 8 announced the position of the Administration with regard to proposed sugar legislation during 1955.

Industry representatives, government officials, and congressional leaders have for several months discussed the many factors involved in the proposals to take action this year to amend current legislative provisions which expire at the end of 1956.

The legislation serves to divide the sugar needed to supply the American market among domestic beet and cane sugar producers and other friendly sugar producing countries. Since 1948, in consideration of several factors, the amount of sugar allotted to domestic producers has been at fixed levels, with increased United States consumption allotted to other countries.

The Administration's position, as announced, is:

"(1) That there should be sugar legislation passed in 1955 to become effective in 1956 and to extend until 1962. This would revise the quotas as now set for 1956.

"(2) That the relationship between domestic and foreign producers should return to a percentage quota so that

(Please turn to page 236)

N.C.A. Raw Products Technical Advisory Committee

P. K. Shoemaker, Chairman of the N.C.A. Raw Products Committee, has made two new appointments to the Technical Advisory Committee to the Raw Products Committee in order to give more regional and commodity representation on this important committee. The new appointees are J. W. Beidler, The C. H. Musselman Company, Biglerville, Pa., and M. A. Hill, Olympia Canning Co., Olympia, Wash.

The two new appointees have been assigned to the subcommittee specializing on fruit problems under the chairmanship of Fred S. Wyatt, Gerber Products Company, Oakland, Calif.

Senate Votes $1 Minimum Wage

An increase in the statutory minimum wage from 75 cents to $1 an hour was approved by the Senate June 8. The increase would be effective January 1, 1956.

The bill providing this increase, S. 2168, would make other changes in the Fair Labor Standards Act, but none of these amendments relates to coverage or exemptions.

The House Committee on Education and Labor, under the chairmanship of Representative Barden (N.C.), is holding public hearings on the minimum wage and is excluding testimony with regard to coverage.

The Senate Labor Committee, in its report on S. 2168, rejected the Administration's proposal for adoption of a minimum wage of 90 cents an hour. The Committee said that this figure "would do little more than compensate for the increased cost of living since 1950." In its statement on behalf of the $1 minimum, the Committee said:

"The recommendation rests upon the following two simple and, in our judgment, uncontrovertible bases:

"(1) The cost of living increase since the effective date of the 75-cent minimum (January, 1950) is at least 14 percent. For the purpose of this calculation the committee is ignoring the argument presented by several witnesses that for low-wage workers the cost of living increase is in fact greater.

"(2) General productivity increases in the economy between the effective date of the 75-cent minimum (January, 1950) and the effective date of the proposed minimum (January, 1956) can safely be estimated at at least 20 percent.

"The arithmetic calculations based upon the above follows:

"Adjustment for the cost of living increase alone would suggest that the 75-cent minimum be raised to 85.5 cents. This would provide the same real wages as did the 75-cent minimum in 1950 (75 cents times 114 percent equals 85.5 cents).

"Adjustments necessary to reflect the 20 percent productivity increase requires that 85.5 cents should be

(Please turn to page 237)

Trade Agreement with Japan

A trade agreement embodying results of tariff negotiations involving Japan and 17 other countries, including the United States, was announced June 9 by the State Department.

The agreement provides for Japan's accession to the General Agreement on Tariffs and Trade and contains changes in the tariff schedules of the United States, Japan, Canada, and other countries. The agreement and the new tariff rates will become effective September 10.

The United States agreed to reduce tariffs on canned tuna in oil, canned clams, canned oysters, canned mandarin oranges, dried mushrooms, frozen turkeys, prepared or preserved soy beans, and a group of miscellaneous preserved vegetable products including asparagus, bamboo shoots, water chestnuts, and horseradish.

The United States also agreed to "bind" the tariff rates on a number of products at their present levels. The tariffs on canned crab meat and canned tuna in brine will be continued, and imports of tuna in brine will be limited by quota to an amount equal to 20 percent of domestic production in the preceding year.

In return for these concessions, granted to Japan and other countries, the United States will receive tariff concessions.

Japan agreed to reduce tariffs moderately on a wide variety of canned food products, including canned pineapple, canned peaches, canned pears, canned cherries, canned asparagus, catsup, chili sauce, tomato paste and puree, tomato sauce, vegetable soups and juices, and fruit juices. Tomato paste and puree will continue to enter

(Please turn to page 236)

Shipments to U. S. Territories and Possessions in 1954

Shipments of canned fruit and vegetable products to U. S. territories and possessions in 1954 were valued at $12.1 million, on the basis of a report by the Bureau of the Census, U. S. Department of Commerce.

The value of the 1954 shipments was about 18 percent lower than the $14.6 million reported for 1953.

Shipments to the territories are paid for in U. S. currency and are classified separately from exports. The shipments are reported by the Bureau of the Census in FT 800.

The principal market among the territories again was Puerto Rico, which accounted for 96.2 percent of the total value of 1954 shipments.

Following are total commercial shipments of canned fruit and vegetable products to U. S. territories and possessions in 1954:

Item	Quantity (*thousands of pounds*)	Value (*thousands of dollars*)
Canned soups	7,074	1,283
Catsup, chili sauce, and other tomato sauces	32,022	3,512
Tomato juice	9,969	1,079
Vegetables and juices, n.e.c.	14,622	1,768
Canned fruits	6,525	1,075
Fruit juices	*3,634	3,417
Total, 1954	.....	12,134
Total, 1953	.....	14,691

The territories and possessions included in these statistics are Puerto Rico, Virgin Islands, Guam, Wake Island and American Samoa.

*Thousands of gallons—not pounds.

Trade Agreement with Japan

(Concluded from page 235)

Japan duty-free when it is for use in canning fish for export.

Canada has revised its tariffs on canned mixed fruits and canned peaches. The tariff on mixtures of two or more fruits containing peaches, apricots or pears will be increased from 1 cent to 2 cents a pound. The tariff on canned peaches will be lowered from 2½ to 2 cents a pound. Canada also modified its tariff on imports from Empire countries so as to maintain the present margin of preference on these items.

Belgium, on behalf of the Belgian Congo and Ruanda Urundi, will establish tariffs on pineapple juice and canned sardines entering those countries.

Canned Peas for VA

The Veterans Administration has invited sealed bids to furnish the following:

PEAS—18,000 dozen No. 10 cans, complying with Federal Specification JJJ-P-151a, Type II, Extra Standard (Grade B), size 3 or 4 or any combination of sizes 1 through 6 of which at least 70% by count shall be sizes 3, 4 and/or 5, commercial labels, or equivalent in No. 2½ or No. 2 cans f.o.b. origin or destination. Bids due under S-4 by July 6.

PEA PUREE—13,650 dozen No. 2 cans, complying with VA specification T-VA-S-2015a dated June 10, 1953, commercial labels, f.o.b. origin or destination. Bids due under S-4 by July 6.

Article on C&TR Program

"Canned Foods Get the Glamour Treatment" is the title of an article by William A. Free, Sr., Chairman of the N.C.A. Consumer and Trade Relations Committee, in the May issue of *Pacific Coast Review*, a food, beverage and business magazine.

"The changing attitude of American cooks toward canned foods offers retailers new opportunities for making more out of their canned foods departments," the article begins. After a review of some of the store promotions that were tied in with canned foods features in national magazines last year, the article offers N.C.A.'s help "in terms of ideas for display materials, recipe leaflets, and suggestions specifically adapted to get the most value out of particular features as they appear."

Proposed Sugar Legislation

(Concluded from page 235)

the domestic producers could share in the added volume produced by our population growth.

"(3) That this relationship should return to a basis of 55 percent for the domestic producers and 45 percent for the foreign producers, which is approximately the relationship existing between 1934 and 1948.

"(4) That this sharing formula should govern all consumption in excess of 8,350,000 tons per year, which in effect means that it will begin with the 1956 crop.

"(5) That special relief will be provided to the domestic industries during 1955, to the extent of 100,000 tons above their present fixed quota."

Officials of the Department met earlier with representatives of the domestic sugar industry to explain the Administration's position and ask for the help of the industry in working out remaining problems. One of these is the question of the program by which the proposed 100,000 ton relief for 1955 could be most effectively apportioned. Further conferences will be held to work out details of specific recommendations.

Forthcoming Meetings

June 12-13—Michigan Canners and Freezers Association, Spring Meeting, Park Place Hotel, Traverse City

June 12-16—Institute of Food Technologists, 15th Annual Meeting, Columbus, Ohio

June 12-16—National Association of Retail Grocers, 56th Annual Convention, Navy Pier, Chicago

June 20-22—Grocery Manufacturers of America, Inc., Midyear Meeting, The Greenbrier, White Sulphur Springs, W. Va.

June 21-22—Maine Canners Association, Summer Meeting, Lakewood near Skowhegan

June 23-24—California Olive Association, Technical Conference, Brockway, Lake Tahoe

June 23-24—Processed Apples Institute, Inc., Annual Meeting, The Greenbrier, White Sulphur Springs, W. Va.

July 13-22—Indiana Canners Association, Annual Mold Count School, Purdue University, Lafayette

July 21-22—National Kraut Packers Association, Annual Meeting, Catawba Cliffs Beach Club, near Port Clinton

July 27-Aug. 5—New York State Canners and Freezers Association, Annual Mold Count School, New York State Experiment Station, Geneva

July 29—Northwest Canners Association, Summer Meeting, Oswego Lake Country Club, Oswego, Ore.

August 21-24—National Industrial Stores Association, 29th Annual Convention, Hotel Shoreham, Washington, D. C.

September 11-14—National-American Wholesale Grocers Association, Midyear Meeting, Broadmoor Hotel, Colorado Springs, Colo.

October 13-15—Florida Canners Association, Annual Meeting, Fontainebleau Hotel, Miami Beach

October 19-21—National Pickle Packers Association, Annual Convention, Sheraton Hotel, Chicago

October 30-November 2—National Association of Food Chains, 22d Annual Meeting, Chicago

November 3—Illinois Canners Association, Fall Meeting, Bismarck Hotel, Chicago

November 7-8—Wisconsin Canners Association, 51st Annual Convention, Schroeder Hotel, Milwaukee

November 11-15—American Meat Institute, Annual Convention, Palmer House, Chicago

November 16-18—Grocery Manufacturers of America, Inc., Annual Convention, Waldorf-Astoria Hotel, New York City

November 21—Pennsylvania Canners Association, 41st Annual Convention, Penn Harris Hotel, Harrisburg

December 1-2—Tri-State Packers Association, Annual Convention, Benjamin Franklin Hotel, Philadelphia

December 5-6—Michigan Canners and Freezers Association, Fall Meeting, Pantlind Hotel, Grand Rapids

December 5-6—Ohio Canners Association, 49th Annual Convention, Carter Hotel, Cleveland

Jan. 29-Feb. 1—National Association of Frozen Food Packers, Annual Convention, Waldorf-Astoria, New York City

February 17-18—Canners League of California, Annual Fruit and Vegetable Sample Cutting, Fairmont Hotel, San Francisco

March 5-9—National-American Wholesale Grocers Association, Annual Convention, Palmer House, Chicago

March 26-27—Canners League of California, 52d Annual Meeting, Santa Barbara Biltmore, Santa Barbara

Minimum Wage Legislation

(Concluded from page 235)

raised to $1.026 (85.5 cents times 120 percent equals $1.026).

"Thus it will be seen that merely reflecting changes in the cost of living and national productivity justifies a federal minimum wage of more than $1. The committee's recommendation, therefore, is, if anything, on the conservative side."

The Senate Committee also stated in its report:

"The committee wishes to make it clear that its failure at this time to recommend legislation dealing with coverage and exemptions is not to be construed as passing judgment on the merits of the various proposals dealing with these problems which were made during the course of the hearings. The committee believes that the important thing at the present time is to raise the minimum wage to $1 an hour. It plans, however, to give further study to the question of coverage and exemptions as soon as practicable with a view to developing legislation to be presented to the Congress early in the next session."

The major provisions of S. 2168 are the $1 minimum wage and a requirement that minimum wage rates in Puerto Rico and the Virgin Islands be at least 25 cents higher on January 1, 1958, than on July 1, 1955.

S. 2168 also would require the Secretary of Labor, in making his annual report to Congress, to recommend any changes in the amount of the minimum wage "as he may deem desirable."

The bill provides that "in making such evaluation and appraisal, the Secretary of Labor shall take into consideration any changes which may have occurred in the cost of living and in productivity and the level of wages in manufacturing, the ability of industries to absorb wage increases, and such other factors as he may deem pertinent."

The $1 minimum wage was approved June 3 by the subcommittee of which Senator Douglas (Ill.) was chairman and by the full Senate Labor Committee on June 7. The Committee rejected a motion to put the figure at 90 cents by a vote of 11-2 and rejected a proposal for a $1.25 minimum by a vote of 8-5.

The Senate also turned down a proposal by Senator Smith (N.J.), former chairman of the Labor Committee, to set the minimum at 90 cents and raise it gradually to $1.

Status of Legislation

Wage-hour legislation—S. 2168, increasing the statutory minimum wage to $1 an hour, was passed by Senate June 8. House Labor Committee continued public hearings on proposals to increase the minimum wage (see story, page 235).

Price supports—H. R. 12, restoring price supports on basic crops at 90 percent of parity, was passed by House May 5. Senate Agriculture Committee continued public hearings on price support legislation.

Apple prices—H. R. 5188, to prohibit publication by the USDA of any prediction with respect to apple prices, was passed by House June 7.

Mexican farm labor program—H. R. 3822, to authorize continued importation of Mexican nationals for employment in agriculture, was reported, with amendments, by the House Agriculture Committee May 24.

Sugar—Revision of the Sugar Act will be the subject of public hearings by the House Agriculture Committee beginning June 22.

Trip-leasing—S. 898, to prohibit ICC regulation of the duration of motor carrier leases, will be the subject of public hearings by the Senate Commerce Subcommittee on Surface Transportation beginning June 20.

Renegotiation—H. R. 4904, providing a two-year extension of the Renegotiation Act of 1951, was passed by House April 28. Senate Finance Committee held public hearings June 7-8.

Small Business Act—S. 2127, providing a two-year extension of the Small Business Administration, and increasing the maximum permissible loan from $150,000 to $250,000, was passed by Senate June 6.

FDA codification—H. R. 6446, to revise, codify, and enact into law Title 21 of the U. S. Code, entitled "Food, Drugs, and Cosmetics," was introduced May 24 by Representative Willis (La.).

Trade Agreements Act—H. R. 1 was passed by House Feb. 18 and by Senate, with amendments, May 4. Conferees reached agreement June 7.

Philippine Trade Act—H. R. 6059 was the subject of a public hearing by the House Ways and Means Committee May 16.

Customs simplification—H. R. 6040 was the subject of public hearings by the House Ways and Means Committee May 23-24.

Hells Canyon Dam—S. 1333, to authorize construction, maintenance and operation of Hells Canyon Dam, was approved by Senate Interior Subcommittee June 8.

Antitrust suits—H. R. 4954, providing a uniform statute of limitations for antitrust cases, was passed by House April 26.

Antitrust penalties—H. R. 3659, to increase maximum penalties under the Sherman Act, was passed by House March 29.

TABLE OF CONTENTS

PAGE

Association Activities

N.C.A. Raw Products Technical Advisory Committee 235

Congress

Senate votes $1 minimum wage .. 235
Administration position on proposed sugar legislation 235
Status of legislation 237

Foreign Trade

Trade agreement with Japan 235
Shipments to U.S. territories and possessions in 1954 236

Meetings

Forthcoming meetings 236

Procurement

Canned peas for VA 236

Publicity

Article on C & TR program 236